

LEND-LEASE ¹

Agreement signed at Washington March 18, 1942

*Entered into force for the United States March 18, 1942; for Venezuela
January 15, 1943*

1942 For. Rel. (VI) 739

WHEREAS:

The President of the United States of America, authorized by the Act of Congress of the United States of America, approved March 11, 1941,² as thereafter amended; and

The President of the United States of Venezuela, exercising the special powers which are conferred on the Federal Executive by articles 79 and 212 of the Organic Law of the National Treasury:

Considering that, in accordance with the Lima Declaration of December 24, 1938³ and Declaration XV approved July 30, 1940⁴ at the Second Meeting of the Ministers of Foreign Affairs of the American Republics held at Habana, the two States have a common interest in cooperating in the defense and maintenance of the peace, security and integrity of the American Continent against any act of aggression which is directed or which it is sought to direct against any of the American Republics, and having determined that the defense of each of the American Republics is vital to the defense of all of them,

Have decided to conclude the present Agreement which contains the bases for financial cooperation relative to the acquisition of defense articles and the communication of military defense information;

The undersigned Plenipotentiaries, being duly authorized for that purpose, have agreed as follows:

ARTICLE I

The Government of the United States of Venezuela shall notify the Government of the United States of America of the nature, amount and quality

¹ Full settlement within basic terms of lend-lease agreement was made on Apr. 27, 1949, and reported in 29th Report on Lend-Lease Operations, p. 2.

² 55 Stat. 31.

³ *Ante*, vol. 3, p. 534.

⁴ For text, see *Department of State Bulletin*, Aug. 24, 1940, p. 136.

of the defensive war material which it is desirable to purchase in conformity with its necessities and its possibilities of payment; and the Government of the United States of America shall furnish it, on the conditions set forth in this Agreement, with defense articles and defense information, up to a scheduled cost which shall not exceed a total of \$15,000,000, of which \$12,000,000 shall be for the use of the Venezuelan Army and \$3,000,000 for the use of the Venezuelan Navy. The resulting financial obligations of the Government of the United States of Venezuela shall not draw interest.

ARTICLE II

The Government of the United States of America reserves the right to suspend, defer or stop deliveries at any time when, in the opinion of the President of the United States of America, further deliveries are not consistent with the needs of the defense of the United States of America or of the Western Hemisphere. Every effort will be made to insure that deliveries of defense articles are made in such manner that, on the suspension of any of them, those which may already have been made shall not be incomplete.

ARTICLE III

A commission of officers from the Army, Navy and Air Corps of Venezuela shall confer with officers authorized by the Government of the United States of America on the nature, quantity, quality and scheduled cost of the defense articles to which the present Agreement refers.

ARTICLE IV

Records shall be kept of all defense articles transferred under this Agreement, and not less than every ninety days schedules of such defense articles shall be exchanged and reviewed.

The Government of the United States of America agrees to accord to the Government of the United States of Venezuela a reduction of fifty-five percent in the scheduled cost of the materials that will be delivered in compliance with the stipulations of the present Agreement; and the Government of the United States of Venezuela promises to pay in dollars into the Treasury of the United States of America forty-five percent of the scheduled cost of the materials delivered. The Government of the United States of Venezuela shall not be required to pay:

- more than a total of \$1,000,000 before July 1, 1942,
- more than a total of \$2,250,000 before July 1, 1943,
- more than a total of \$3,375,000 before July 1, 1944,
- more than a total of \$4,500,000 before July 1, 1945,
- more than a total of \$5,625,000 before July 1, 1946, or
- more than a total of \$6,750,000 before July 1, 1947.

ARTICLE V

For the same purposes and under terms to be agreed upon, the Government of the United States of Venezuela shall furnish the Government of the United States of America with such information and material as the High Contracting Parties may consider necessary or advisable for their common defense or the defense of the Continent and which the Government of Venezuela is in a position and finds it possible to supply.

ARTICLE VI

The information furnished and the material acquired by the Government of the United States of Venezuela may be used only for the defense of the United States of Venezuela or for the purpose of cooperating with the other American Republics in the defense of the peace, security and integrity of them against any aggression which may be directed or which it may be sought to direct against them. The Government of the United States of Venezuela undertakes that it will not, without the consent of the President of the United States of America, transfer title to or possession of any defense article or defense information received under this Agreement, or permit its use by anyone not an officer, employee, or agent of the Government of the United States of Venezuela.

Similarly, the Government of the United States of America undertakes that it will not, without the consent of the President of the United States of Venezuela, transfer title to or possession of any defense article or defense information received in accordance with Article V of this Agreement, or permit its use by anyone not an officer, employee, or agent of the Government of the United States of America.

ARTICLE VII

The Governments of the United States of America and of the United States of Venezuela agree to cooperate for the conclusion of just and equitable agreements in conformity with Resolution XXV on Economic and Financial Cooperation approved at the Second Meeting of the Ministers of Foreign Affairs of the American Republics held at Habana in July 1940 and to cooperate in so far as possible within the limit of the available resources of the Contracting Parties to alleviate the sufferings caused by the war wherever, and as soon as, such relief will be succor to the oppressed and will not aid the aggressor.

ARTICLE VIII

If, as a result of the transfer to the Government of the United States of Venezuela of any defense article or defense information, it is necessary for the Government of the United States of Venezuela to take any action or make

any payment in order fully to protect any of the rights of any citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United States of Venezuela will do so, when so requested by the President of the United States of America.

Similarly, if, as a result of the transfer to the Government of the United States of America of any defense article or defense information, it is necessary for the Government of the United States of America to take any action or make any payment in order fully to protect any of the rights of any citizen of the United States of Venezuela who has patent rights in and to any such defense article or information, the Government of the United States of America will do so, when so requested by the President of the United States of Venezuela.

ARTICLE IX

All differences between the High Contracting Parties relative to the interpretation or execution of this Agreement shall be decided by the pacific means recognized in international law.

ARTICLE X

The provisions of this Agreement, in so far as such provisions have relation to the furnishing by the Government of the United States of America to the Government of the United States of Venezuela of defense articles and defense information of a total scheduled cost of not more than \$2,222,222.22, and the payment by the Government of the United States of Venezuela into the Treasury of the United States of America of not more than \$1,000,000.00, shall enter into full force and effect upon the date on which this Agreement is signed, and shall continue in force until a date agreed upon by the two Governments, subject to the provisions of Article II and to all other provisions of this Agreement in so far as they relate to the carrying out of the purposes stated in this paragraph.

The provisions of this Agreement, in so far as such provisions have relation to the furnishing by the Government of the United States of America to the Government of the United States of Venezuela of defense articles and defense information of a total scheduled cost in excess of \$2,222,222.22, and the payment by the Government of the United States of Venezuela into the Treasury of the United States of America of more than \$1,000,000.00, shall enter into force upon the date on which this Agreement is ratified by the Public Powers of the United States of Venezuela in conformity with the constitutional procedures of the United States of Venezuela and shall continue in force from such date until a date agreed upon between the two Governments.

In faith whereof, the respective Plenipotentiaries of the two Governments have signed and sealed this Agreement in the English and Spanish languages in duplicate at Washington, this eighteenth day of March, 1942.

For the United States of America:

SUMNER WELLES [SEAL]

*Acting Secretary of State of the United
States of America*

For the United States of Venezuela:

DIÓGENES ESCALANTE [SEAL]

*Ambassador Extraordinary and Pleni-
potentiary of the United States of
Venezuela at Washington*